

Year-durables 2

According to him, its effect will be felt in January also and business would normalise only from March when the sale of cooling products like air conditioner would start.

"In Q4 of this fiscal, we are expecting 15 per cent odd growth because the effect of demonetisation," Nandi said.

South Korean durable maker LG said: "Demonetisation is a short term phenomenon, with an admirable objective; GST is biggest indirect tax reform & fast implementation will certainly help in improving efficiency."

Haier India President Eric Braganza said: "Demonetisation has hit the sales in the current quarter and will impact the the upcoming quarter as well. However, with time the market will pick up and we should start seeing positive results".

In 2016, companies registered over 25 per cent growth in sales during the festive season, when the makers reported up to 30-35 per cent sales during 45 days window in the month of October and November.

"Year 2016, has been fairly profitable for the consumer durable industry. Continued inflow of disposable income, implementation of the 7th pay commission and a good monsoon season acted as key catalysts. This further led to a favourable festive season which for the last four fiscal years had been sluggish," said Manish Sharma, who is also Executive Officer, Panasonic Corporation and President & CEO Panasonic India & South Asia.

During the year, companies registered growth across all markets - metro and tier II, III & IV.

"We have experienced consistent growth across all tiers of the country," said Sony India Head of Sales Satish Padmanabhan.

According to Whirlpool of India MD Sunil DSouza in 2016, the company launched products "across our core categories as also new focus categories for the future and we saw a good consumer response. We saw an improvement in basic macro economic indicators for the overall economy and for appliance sales through the year which bode well for future demand."

Durable makers have expanded domestic manufacturing in 2016 after getting encouraging policy support from the government and they have plans to invest more in 2017.

The companies are expecting that implementation of GST would lead to demand growth as it likely to reduce taxes imposed on the goods.

"Once GST regime gets implemented, the consumer durable industry expects to see a reduction in tax burden, logistical and transactional costs, which in turn will be beneficial for consumers," said Videocon Director Anirudh Dhoot.

Besides, in 2017 the airconditioner makers will also have to gear up for the new star rating methodology called Indian Seasonal Energy Efficiency Ratio (ISEER) from January, 2018 as mandated by the Bureau of Energy Efficiency, which would take the cost up to around 20 per cent.

<http://indiatoday.intoday.in/story/year-durables-2/1/845269.html>